

WEATHER.  
(U. S. Weather Bureau Forecast.)  
Fair tonight and tomorrow; rising temperature, with minimum tonight about 40 degrees; moderate south winds. Temperatures today—Highest, 53, at 3 p.m.; lowest, 32, at 6:30 a.m.  
Full report on page A-2.

Closing New York Markets, Page 14

# The Evening Star

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## PACT WITH BRITAIN IN DEFENSE DENIED BY HULL IN LETTER

Cabinet Member Also Declares There Is No Agreement With Any Country.

### STATEMENT IS MADE IN NOTE TO PITTMAN

Admiral Leahy Says America Could Develop Dirigibles "Very Profitably."

#### BACKGROUND—

International relationships have become increasingly troubled in past few years as Italy and Japan waged wars of aggression, Spain was torn by civil strife and Germany rebuilt military forces toward wartime strength. With Britain already engaged in record armament program, President Roosevelt has recommended huge naval building appropriations now before House committee.

By the Associated Press.

Secretary of State Hull in a letter to Senator Pittman, Democrat of Nevada, denied today that the United States had any agreement with Great Britain "relating to war or the possibility of war."

The Secretary also denied that this country is bound by any agreement with any power in connection with operations of the Navy.

Senator Pittman, chairman of the Foreign Relations Committee, read Secretary Hull's letter to the Senate. It gave the specific answer "no" to three questions which Senator Johnson, Republican of California, had framed in a resolution offered the Senate yesterday.

Senator Johnson had asked whether there was an "understanding" between the United States and Great Britain regarding measures to be taken in the event of war; whether there was any alliance which would call for use of the Navy "in conjunction with any other country" and whether there was an agreement by which the Navy would do patrol duty in any particular ocean or section of an ocean.

Text of Hull's letter to Pittman follows:

"My attention has been called to Senate resolution No. 229 introduced by Senator Johnson of California on January 5 (calendar February 7), 1938, and ordered to lie on the table.

"Under the terms of the proposed resolution the Secretary of State is requested, if it be not incompatible with the public interest, to advise the Senate in response to three inquiries:

"For your information, and such use as you may desire to make thereof, I desire to state to you very definitely that in response to point (a) which reads 'whether or not any alliance, agreement or understanding exists, or is contemplated, with Great Britain relating to war, or the possibility of war,' the answer is 'No'; in response to point (b) which reads 'whether or not there is any understanding or agreement, express or implied, for the use of the Navy of the United States in conjunction with any other nation,' the answer is, no; with regard to point (c) which reads 'Whether, or not, there is any understanding, or agreement, express or implied, with any nation, that the United States Navy, or any part of it, should police, or patrol, or be transferred to any particular waters, or any particular ocean,' the answer is, no."

Senator Pittman previously had predicted that the Foreign Relations Committee would support Senator Johnson's request for the information.

The Nevada Senator read the letter a short time after Admiral William D. Leahy had said the United States could "develop dirigibles" in development of dirigibles. However, he advocated leaving such experimentation to commercial agencies for the present.

The Navy's chief of operations, testifying for the seventh consecutive day on the proposed \$800,000,000 naval expansion program, told the House Naval Committee the Navy should disregard lighter-than-air craft at this time because no other types of equipment are more urgently needed.

Revival of the long-standing congressional controversy of airplane versus battleship by Representative Maas, Republican, Minnesota, brought a declaration from Admiral Leahy that the battleship is the "bulwark of defense and offense."

Although he conceded it would be possible to sink a battleship by bombs or torpedoes hit, "it often enough in the right place," the admiral said the battleship is "less vulnerable" to air attack than any other types of surface craft.

"The modern battleship is the type which can give and take the heaviest blows," he said.

(See DEFENSE, Page A-3.)

## BOY ACCUSED OF ARSON

Twelve Firemen Hurt in One Blaze Charged to Child, 11.

PITTSBURGH, Feb. 8 (AP)—Police Inspector Peter Leheny said today an 11-year-old schoolboy had admitted setting fires to two apartment houses, one of them his own home.

Twelve firemen were hurt or overcome by smoke in battling the fire. Fire Chief Nicholas Phelan estimated the damage at \$68,000.

Mr. Leheny quoted the boy as saying he stuffed papers in laundry chutes, then set them afire and turned in alarms.

"I liked to hear the engines coming and see the excitement at the fire. I guess that's the reason I did this," Mr. Leheny said the child's statement read.

The Inspector identified the boy as Eugene Volkert.

## Mother Saves Child and Self By Jumping as Train Hits Car



Mrs. Stella Wiseman of Berwyn Heights, Md., dragged her 7-year-old daughter from this automobile this morning a scant few seconds before it was reduced to this mass of twisted metal by an express train.

A 26-YEAR-OLD Maryland mother, who kept her presence of mind when her automobile stalled on the Baltimore & Ohio tracks in front of a fast express train today, succeeded in leaping from the car and dragging her 7-year-old daughter with her before the train demolished the car.

Witnesses said Mrs. Stella Wiseman told them she was unable to explain what caused her sedan to stall as she was taking her daughter Ruth to the Holy Redeemer School at Berwyn.

While a schoolboy and Station Agent Harry Lorenz watched in horror, the mother succeeded in scrambling from the car with Ruth by the hand

and was less than 10 feet from the tracks when a crack New York express hit the car, throwing it 150 feet to a coal pile on a nearby siding, witnesses said.

"I don't know how I did it," Mrs. Wiseman told J. Fred Keefe, a storekeeper at the crossing, who rushed out when he heard the crash.

Despite her narrow escape, Mrs. Wiseman did not appear shaken and went home with a neighbor without getting doctor's treatment, Mr. Keefe said.

Ruth also amazed neighbors by remaining calm, Mr. Keefe said.

He asserted the express was delayed by the crash.

(See CRASH, Page A-4.)

## JAPANESE LAUNCH TWO NEW DRIVES

Communications of 400,000 Defending Suchow Are Threatened.

BACKGROUND—

Japanese attempt to close gap between North China and Yangtze Valley forces has met strong resistance from Chinese. Army of 400,000 men, Suchow, junction of Tsinpu and Lunghai Railways, is objective of Japanese. Defenders of strategic city have held enemy on northern front, but Japanese have advanced from Nanking, and threaten to break through to objective.

By the Associated Press.

SHANGHAI, Feb. 8.—Japanese columns thrust into new battle areas today in apparently coordinated drives to render futile the desperate resistance of China's main armies along the vital Lunghai Railway.

The new attacks threatened main communications between some 400,000 Chinese troops fighting savagely to hold the Japanese back from Suchow and their bases in the heart of China. They were aimed from southeast and northwest toward Kweichow, 90 miles west of Suchow, and according to Japanese dispatches threatened to compel a general Chinese retreat westward through the 180-mile-wide corridor still held by the Chinese along the Lunghai.

Chiang Leading Personally.

Suchow is junction point of the Lunghai and the North-South Tientsin-Pukow Railway, nerve center of Eastern Central China. Generalissimo Chiang Kai-shek, according to Chinese reports, was in personal command of the Chinese armies holding long-prepared defense lines protecting Suchow from the north and south.

Main Japanese forces apparently were held stubbornly along the Hwai River, which they reached last week with the capture of Pengpu, 90 miles south of Suchow. But a column which crossed the river west of Pengpu and captured Hwaiyang was reported swinging still further northward for an advance up the Kwo River Valley.

Japanese dispatches reported a surprise drive had given the Japanese possession of Nanlo, southern Hopei city. Chinese troops were said to have fled, leaving 1,000 dead on the battlefield.

Tanks in Lead.

Tanks were reported leading the drive northwestward from Hwaiyang across the hitherto peaceful Northern Anhwei farming and cattle lands.

The immediate Japanese objective apparently was Mengcheng, 52 miles from the jump-off at Hwaiyang. Beyond lie Kwoyang, from which several American missionaries recently departed for Hankow, and Pohnien, where six American Southern Baptist missionaries were reported remaining at their posts.

Japanese reports said Chinese had lost more than 7,000 killed in fierce fighting of the last eight days along the Hwai River.

Chinese told also of brisk engagements up the Yangtze River Valley at Wuhu and at Hangchow, southwest of Shanghai, on the Chekiang Province coast.

Meanwhile, Japanese emphasized that orders to tighten discipline and maintain army prestige applied to all Japanese forces throughout China.

The army spokesman explained that Gen.wane Matsui's instructions yesterday to halt breaches of discipline were issued at memorial services for war dead, giving them particular importance.

## PITTMAN CHARGES INTERIOR HOT OIL PROBE WHITEWASH

Reads From Report in Effort to Show Mishandling by Ickes and Burlew.

### 2 WORKERS INVOLVED IN CASE OF TEXAS FIRM

Senator Declares Committee's Findings Were in Conflict With Those of Investigators.

By REX COLLIER.

Lengthy ramifications of what Senator Pittman, Democrat, of Nevada contents was a "whitewash" by the Interior Department of two employees allegedly involved in a "hot oil" case several years ago were detailed to the Senate Public Lands Committee today.

Senator Pittman read excerpts from voluminous reports in an effort to show that Secretary Ickes and his assistant, Robert K. Burlew, mishandled the case of the two employees. Mr. Burlew is under consideration by the committee for confirmation as First Assistant Secretary of the Interior, a post to which he recently was nominated by President Roosevelt.

The employees in question were senior examiners of the Federal Tender Board, assigned to hot-oil investigations in Texas. Senator Pittman said the record shows they acquired one-third interest in a firm whose head later pleaded guilty to violation of the Connolly Act, outlawing shipments of contraband oil.

The examiners were suspended after an investigation by the Interior Department's Division of Investigation had revealed that they had made "loans" to an alleged hot-oil operator.

Reports Were in Conflict.

The employees filed counter charges against the investigators and denied they were in partnership with a hot oil concern. Secretary Ickes, the committee was told, then appointed a committee, composed of George W. Holland, Geological Survey attorney, and Roy R. Duncan of the departmental solicitor's office to make an independent report on the case. The committee's report, Senator Pittman said, was in conflict with those of the division of investigation, so, as a final measure of settlement, Mr. Ickes called in Jonathan G. Latimer, Chicago attorney and friend of the Secretary, to examine all the reports and advise him legally with respect to what action should be taken.

The Latimer report, according to Senator Pittman, exonerated the suspended employees of criminal conspiracy, but condemned them for acquiring an interest in property over which they had investigative jurisdiction. Mr. Latimer pointed out that such action tended to bring the department into "disrepute," and to provide critics with "inferences of corrupt motives."

Were Never Prosecuted.

Senator Pittman brought out that the oil examiners finally were separated from the service "for expiration of funds" on June 30, 1936, and were never prosecuted.

Mr. Burlew was questioned sharply by Senator Pittman about the department's handling of the case and the Senator contended Mr. Burlew's claim that the Holland-Duncan Committee was "unbiased."

"You call men disinterested when they know they can be dismissed by the Secretary or transferred to some unhealthy climate?" the Senator demanded.

Mr. Burlew insisted it was "custodial" to call on qualified persons within the department to pass on matters in dispute. He declared Secretary Ickes "did his best" to get at the facts in the controversy and that there was no disposition on the part of any one to soft pedal the matter.

Senator Pittman, announcing his intention of "getting to the bottom" of the hot oil case, requested the committee to subpoena Richard Hill of the

(See BURLEW, Page A-3.)

## FARM BILL DEBATE LIMITED IN HOUSE

Many Members Protest Five-Hour Discussion as "Gag" Rule.

### BACKGROUND—

New farm legislation, continuing the present soil conservation program, but also setting up elaborate system of control over surplus marketing of cotton, wheat, corn, tobacco and rice, must be enacted immediately, its proponents claim, if crop control provisions are to become effective before the planting season begins.

By the Associated Press.

Administration leaders attempted to force the revised farm bill through the House by imposing a strict debate limitations despite protests of members that a "gag" rule was being applied.

The Rules Committee asked House members to agree to vote on the bill after five hours' discussion, without amending it or objecting to individual provisions.

Representative Martin, Republican, of Massachusetts, assistant minority leader, said, "If that isn't a gag rule there never was one."

Representative Short, Republican, of Missouri, charged that the administration was attempting to "ram down our throats a 121-page bill which members had not had time to examine."

Representative Pace, Democrat, of Georgia said that he could not figure out some parts of the complicated measure after 60 hours of study.

Some Democrats joined Republicans and Progressives in declaring that the measure differed materially from either the Senate or House bills passed in December. A joint committee was appointed before Christmas to draw up compromise, which it completed Friday.

Chairman Jones, Democrat, of Texas, said yesterday that the revised measure conformed generally to the original House bill, but many members disagreed. Jones said immediate enactment was necessary if crop control provisions were to become effective before the planting season begins.

McNary Amendment Opposed.

The greatest controversy was over the McNary-Boileau amendment, designed to prevent land taken from soil-depleting crops from being used to feed dairy cattle.

The conference committee modified the provision, leading a number of members from dairy States to declare the opening session, but no conclusions will be reached on any items until the hearings close. The

Official Explain Changes.

As Senator Thomas, Democrat, of Oklahoma, started the hearings, Commissioners Hazen, Allen and Sultan, Budget Officer Donovan and a number of Department heads were on hand to explain changes they believe should be made in House provisions.

The question of whether the Federal Government should meet a larger share of the more than \$45,000,000 to be appropriated for the coming year is understood to have been discussed during the opening session, but no conclusions will be reached on any items until the hearings close. The

(See D. C. BILL, Page A-4.)

Modest Crop Insurance.

The revised bill provides for a modest beginning of crop insurance and for an additional 2-cent-a-pound subsidy to cotton growers who already had obtained a 9-cent loan on their 1937 cotton.

If the House approves the farm bill, it probably will be taken up by the Senate tomorrow. After its consideration in that chamber, administration leaders expect to propose shelving of the anti-laboring bill.

The Southern filibuster against that measure was continuing today, although Senator Bilbo, Democrat, of Mississippi agreed to interrupt his address so that Senator Guffey, Democrat, of Pennsylvania could speak in favor of the bill.

## NAVY OFFICER MISSING

Lt. Frank McAllister Disappears From Honolulu Airbase.

HONOLULU, Feb. 8 (AP)—Navy and civilian police began a search yesterday for Lt. Frank McAllister, attached to the Pearl Harbor airbase, reported missing since 1:30 a.m. Sunday.

The officer, prominent socially, was reported missing by Rear Admiral Orin G. Murfin, commandant of the 14th Naval District.



SPEAKING OF BACK SEAT DRIVING—

## Picayune, Miss., Tosses Red Ink From City Hall

Citizens Celebrate as Clerk Announces Town Debt Free.

By the Associated Press.

PICAYUNE, Miss., Feb. 8.—This city of 6,000 population tossed its red ink out of the window today. It was out of debt.

Citizens celebrating the announcement heard City Clerk Jack Read list local assets as including:

Forty miles of city streets, 20 of them paved, 25 miles of concrete sidewalks, a 40-acre city park and bathing beach, an 8-acre airport, a public library, three modern school plants and a new City Hall under construction with enough money to build it.

In addition there was cash on hand to meet all bills due, the clerk said.

## \$400,000 RESERVOIR ASKED IN BUDGET

Soldiers' Home Is Recommended as Site for New Storage Basin.

By J. A. O'LEARY.

Construction of a \$400,000 new reservoir of 15,000,000-gallon capacity in the Soldiers' Home grounds was recommended by the Budget Bureau today, as a Senate subcommittee began hearings on the 1939 District Appropriation Bill.

The project will not aggravate the city's water problem, however, since Water Department improvements are financed directly out of water rates, and there is a balance in the water fund to cover the additional estimate.

The water items already in the House bill left \$653,811 remaining in the water fund.

Officials Explain Changes.

As Senator Thomas, Democrat, of Oklahoma, started the hearings, Commissioners Hazen, Allen and Sultan, Budget Officer Donovan and a number of Department heads were on hand to explain changes they believe should be made in House provisions.

The question of whether the Federal Government should meet a larger share of the more than \$45,000,000 to be appropriated for the coming year is understood to have been discussed during the opening session, but no conclusions will be reached on any items until the hearings close. The

(See D. C. BILL, Page A-4.)

## Gehrig Holds Out for \$40,000; Ruppert's 'Last Offer' \$36,000

By the Associated Press.

NEW YORK, Feb. 8.—"Larrupin" Lou Gehrig, iron man first baseman of the New York Yankees, joined the world champions' fast-growing holdout list today, rejecting Owner Jake Ruppert's offer of \$36,000 again this year and demanding an increase of 15 per cent, or, roughly, \$40,000.

Col. Ruppert, a bit irritated, told baseball writers that he would stick by his offer of \$36,000 to Gehrig and \$25,000 to Joe Di Maggio, who is holding out for \$40,000.

"They won't get a cent more and that's final," said the colonel. "They can take it or leave it."

Col. Ruppert and Gehrig were closeted for almost an hour without getting anywhere in their second "brewery conference" of the year. Di Maggio also conferred with the colonel for an hour and walked out. Since the conference, Joe has returned to his home in San Francisco to await developments.

Gehrig, looking fit after a try at the movies in Hollywood, arrived home last

## \$3,500 BRIBE TALE STARTLES COURT

Witness Says Warring Gave O'Brien "Hush Money" in Gang Shooting.

By WILLIAM S. TARVER.

Sensational testimony that Emmett Warring, who has emerged unscathed from many a racket investigation, allegedly gave Joseph E. O'Brien \$3,500 to "keep quiet" after a gang led by Warring's brother put O'Brien "on the spot" and gravely wounded him July 21, 1936, was given in District Court today.

Hitherto it had been thought that fear of underworld reprisal sealed the lips of O'Brien and two other witnesses, William Russell Country Carpenter and Harry (Spike) Berole. The latter two already have been convicted of perjury and are awaiting sentence.

The witness today was Burt J. Watson, youthful gas station attendant, now on probation for violation of the liquor-taxing act. He testified in the brief trial of O'Brien on a perjury charge which ended with a verdict of guilty after the jury had deliberated less than 20 minutes.

Admits Statements.

At first refusing to quote O'Brien concerning the alleged bribe by Warring, Watson finally admitted that two written statements he had given to Assistant United States Attorney Roger Robb were true.

At the request of United States Attorney David Puse, police assigned a guard to protect Watson from possible reprisal for his testimony.

O'Brien was charged with having a "memory lapse" when called upon December 7, 1936, to testify against Charles R. (Rags) Warring and five others, who nevertheless were convicted of assault with intent to kill. The perjury accusations against Carpenter and Berole grew out of similar testimony during that trial.

Watson was put on the stand by Mr. Robb and asked whether he saw O'Brien November 25, 1937. He responded that he did and that he, O'Brien, and a man named Irving Rosenberg sat in O'Brien's automobile at Second and East Capitol streets and had a talk.

"Was Emmett Warring's name mentioned?" inquired Mr. Robb. Watson replied the name Warring was mentioned, but he did not know whether it was Emmett.

Questioned further, he said O'Brien never mentioned Warring or said anything about him.

(See WARRING, Page A-4.)

## RETROACTIVE TAX ON INCOME GAINED IN D. C. PROPOSED

Measure Specifically Calls for 1 Per Cent Deductions From Salaries.

### CREDIT IS PROVIDED FOR STATE PAYMENTS

Disclosure Is Made in Copies of New 1939 Revenue Measure, Made Public Today.

By JAMES E. CHINN.

Retroactive imposition of the proposed 1 per cent tax on the incomes of all persons who work in the District is provided in the new 1939 revenue bill, it was disclosed today as printed copies of the measure were made public.

The tax would have to be paid by March 15 this year on net income received during the 1937 calendar year.

There is little likelihood that the bill will be enacted into law by March 15 and even less likelihood that the income-tax feature will be retained in view of the House rebellion against such a levy last year because it would have forced members of Congress to pay the tax.

Printed copies of the bill also revealed that non-residents who are to be taxed as well as residents will not have any loophole of escape. The measure specifically provides that the employer withhold 1 per cent of the employee's salary each year "for the purpose of satisfying the District's tax claim."

Deductions Are Allowed.

Non-residents, however, would be allowed a credit for any income tax payments in the District which they live. Members of Congress and others who do not reside in the District at least six months a year would pay wholly on that portion of the income received while here.

The bill also declares: "The fact that a person whose place of abode during the greater portion of such 12 months has been within the District and claims or has exercised the right of vote at public elections in any State or Territory shall not, of itself, constitute him a non-resident of the District within the meaning of this title."

Another disclosure in the printed bill is the high salaries prescribed for the three members of the proposed new Board of Tax Appeals to be set up as a substitute for the present eight members of the Board of Equalization and Review. All three would be appointed by the Commissioners without regard to civil service laws. The chairman would receive \$8,000 a year and the other two members \$7,000 each.

Members Must Be Experts.

The bill stipulates that one member of the board shall be an attorney and in active practice for at least five years preceding appointment. Another, according to the bill, shall be a certified public accountant and the third a person "engaged in some commercial enterprise or activity requiring a knowledge of commercial and business practice."

Members of the Fiscal Affairs Subcommittee of the House District Committee who drafted the bill said provisions for continuation of the unpopular David Puse, police assigned a guard to protect Watson from possible reprisal for his testimony.

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(See WARRING, Page A-4.)

## BRITISH GOLFER ROBBED OF \$100,000 IN JEWELRY

Palm Beach Police Chief Reports Theft From Home of Mrs.

Philip D. Hill.

By the Associated Press.

PALM BEACH, Feb. 8.—Police Chief Joe Borman said today Mrs. Philip D. Hill of London, well-known golfer and wife of the British financier, reported the theft of almost \$100,000 in jewels from her Palm Beach home. The jewels were taken sometime Sunday afternoon, he said.

Chief Borman said several guests and servants were in the house at the time the robbery is believed to have occurred.

The stolen gems, he said, were reported taken from a small jewel case left in a closet, but several thousands of dollars worth of other jewels were left on a dressing table in the same room, untouched.

CRASHED AIRPLANE HUNTED IN MOUNTAINS

Search Near Carlisle, Pa., After Natives Report "Something Burst Into Flames."